

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Seldovia****Project Title:**

# Seldovia - Matching EPA Funds for Water/Sewer Upgrades

**State Funding Requested: \$ 235,000****House District: 35 - R**

One-Time Need

**Brief Project Description:**

The City of Seldovia was named to receive a grant from the EPA for its failing water and sewer system.

**Funding Plan:****Total Cost of Project: \$1,049,636**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$577,300	FY2005				
Local Funds			\$235,000	FY2008		
Total	\$577,300		\$235,000			

**Detailed Project Description and Justification:**

The City of Seldovia has embarked on a large scale project to upgrade and repair it's failing water and sewer system. Due to leaks in the water system and water wasting to keep old pipes from freezing, the city is currently using up to 10 times as much water as other similarly sized communities. The sewer pipes are in equally poor shape.

Currently, water treatment in Seldovia consists of chlorination. The state Department of Environmental Conservation (DEC) calls this level of treatment "filtration avoidance" because treatment does not include filtration. Since Seldovia's plan to replace pipe began, the DEC has informed it that, in part because of Seldovia's high water use, it no longer qualifies for filtration avoidance. The DEC is pressuring Seldovia to build a water filtration plant, now, in order to meet current EPA requirements and future drinking water regulations. Building a water plant to meet the large amount of water currently used will be extremely expensive, and operating such a big plant could bankrupt Seldovia.

**Project Timeline:**

Will begin replacing failed pipe no later than June 2008.

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Seldovia

**Grant Recipient Contact Information:**

Contact Name: Howard Davis

Phone Number: 907-234-7643

Address: PO Box Drawer B

Seldovia, AK 99663

Email: citymanager@cityofseldovia.com

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No



# CITY OF SELDOVIA

P.O. DRAWER B \* SELDOVIA, ALASKA 99663

Phone: (907) 234-7643 Fax: (907) 234-7430

TO: Representative Paul Seaton

FROM: Howard Davis, City Manager

DATE: 2/26/08

RE: Matching Grant to enable the City of Seldovia to leverage Federal EPA funds.

The City of Seldovia was named to receive a Grant from the EPA totaling \$1,049,636. for water/sewer upgrades. EPA will provide \$577,300., if the City of Seldovia can produce matching money in the amount of \$472,336. If the State of Alaska cannot assist us we are in jeopardy of losing these funds.

The City of Seldovia has embarked on a large scale project to upgrade and repair our failing water and sewer system. Due to leaks in the water system and water wasting to keep old pipes from freezing, the city is currently using up to 10 times as much water as other similarly sized communities. The sewer pipes are in equally poor shape. Our schedule is to start replacing failed pipe no later than June 2008.

Currently, water treatment in Seldovia consists of chlorination. The state Department of Environmental Conservation (DEC) calls this level of treatment "filtration avoidance" because treatment does not include filtration. Since the City's plan to replace pipe began, the Department of Environmental Conservation has informed us that, in part because of our huge water use, we no longer qualify for filtration avoidance. The DEC is pressing the City to build a water filtration plant, now, in order to meet their current requirements and future drinking water regulations. Building a water plant to treat the large amount of water we currently use will be extremely expensive, and operating such a big plant could bankrupt the City.

It is, therefore, essential that we replace our leaky pipes as soon as possible and bring water use under control. Although we have qualified for a grant from Village Safe Water (VSW) and EPA for water and sewer improvements, it is not large enough to replace all our failing pipes or to build a water treatment plant, if required. (Unfortunately, the VSW/EPA grant cannot be used to leverage the \$1,049,636, discussed above.)

To ensure that we provide safe drinking water to both residents and visitors, additional funding is essential to replace failed pipes and build a water treatment plant, if necessary.

Thank you for your assistance.

Sincerely;

Howard R. Davis  
City Manager  
City of Seldovia, Alaska 99663  
(P) 907 234-7643  
citymanager@cityofseldovia.com



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

JUN 6 2005

OFFICE OF  
WATER

**MEMORANDUM**

**SUBJECT:** Award of Grants and Cooperative Agreements for the Special Projects and Programs Authorized by the Agency's FY 2005 Appropriations Act

**FROM:** James A. Harlow, Director  
Office of Wastewater Management (4201M)

**TO:** Water Management Division Directors  
Regions I - X

**PURPOSE**

This memorandum provides information and guidelines on how the Environmental Protection Agency (EPA) will award and administer grants and cooperative agreements for the special projects and programs identified in the State and Tribal Assistance Grants (STAG) account of the Agency's fiscal year (FY) 2005 Appropriations Act.

**BACKGROUND**

The EPA section of the Consolidated Appropriations Act, 2005, (P. L. 108-447), also referred to as the Agency's FY 2005 Appropriations Act, includes \$309,925,000 in the STAG account for 656 water, wastewater and groundwater infrastructure projects and for the Long Island Sound Restoration Program. Also included as separate line items in the STAG account were \$50,000,000 for the United States-Mexico Border Program and \$45,000,000 for the Alaska Rural and Native Villages Program. The Consolidated Appropriations Act, 2005 also contains an across the board rescission of 0.30 percent except for defense, military construction or supplemental appropriations. The 0.30 percent rescission applies to all of the funds included in the STAG account.

The specific requirements governing the award of the special projects and programs are contained in the following documents: the Consolidated Appropriations Act, 2005, the Conference Report (H. Rept. No. 108-792), the House Report (H. Rept. No. 108-674), and the Senate Report (S. Rept. No. 108-353). The specific requirements contained in these documents have been incorporated into this memorandum.

### **THREE PERCENT SET-ASIDE**

The Agency's FY 2001 Appropriations Act (P. L. 106-377) included a provision stating that the Administrator may use up to three percent of the amount appropriated for each earmark to fund State, Corps of Engineer or contractor support for the management and oversight of the special projects. This means that the set-aside monies cannot be used to pay for EPA staff or travel expenses. EPA issued a formal policy memorandum on September 27, 2001, that provides information and guidelines on how the Agency will implement the three percent set-aside provision.<sup>1</sup>

The three percent set-aside provision is permanent statutory authority which means it applies to all post-FY 2001 special Appropriations Act projects including those listed in the STAG account of this year's Appropriations Act. However, the three percent set-aside provision does not apply to funds appropriated for specific programs, such as the Long Island Sound Restoration Program, the United States-Mexico Border Program and the Alaska Rural and Native Villages Program.

### **PROJECTS**

The Conference Report that accompanied the Agency's FY 2005 Appropriations Act identified two projects funded from monies appropriated for the United States-Mexico Border Program. These two projects will be awarded and administered within the guidelines and provisions contained in this memorandum.

Attachment 1 identifies the 667 earmarks listed in the STAG account and the two projects funded from monies appropriated for the United States-Mexico Border Program. Attachment 1 also shows the original amount appropriated for each project, as well as the actual amount available for grant award after the reduction due to the 0.80 percent rescission and three percent set-aside provision.<sup>2</sup>

With the exception of Earmark Number 133 for Columbus Water Works, Columbus, Georgia, which will be awarded and administered by the Office of Water in Headquarters, the special projects identified in Attachment 1 will be awarded and administered by the Regional Offices. The delegation of authority (1200 TN 516), issued on September 28, 2000 (Attachment 2), is listed in Chapter 1, Delegation Number 1-102, of EPA's Delegation Manual. This delegation of authority transferred the authority to award grants and cooperative agreements for funds included in the STAG account to the Assistant Administrator for Water and the Regional

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<sup>1</sup> This document is available on the internet at [www.epa.gov/owm/mab/owm0318.pdf](http://www.epa.gov/owm/mab/owm0318.pdf).

<sup>2</sup> States that choose to perform the necessary construction oversight activities for the planning, design and building phases of a project at their own expense may request to have the three percent set-aside funds assigned to the respective grant recipients within their States. Headquarters will transfer the necessary funds to the Regions for this purpose after the formal review and approval of the State's request.

Administrators. Accordingly, the Regions and Headquarters have the necessary authority, effective the date of this memorandum, to award grants and cooperative agreements for the special projects and programs identified in the STAG account of the Agency's FY 2005 Appropriations Act.

### **COST-SHARE REQUIREMENT**

The FY 2005 Conference Report language that precedes the listing of the 667 STAG earmarks (H. Rept. No. 108-792, at p. 1568) states that:

The conferees have provided \$309,925,000 for a targeted program making grants to communities for the construction of drinking water, wastewater and storm water infrastructure and for water quality protection. As in past years, these grants shall be accompanied by a cost-share requirement whereby 45 percent of a project's cost is the responsibility of the community or entity receiving the grant. In those few cases where such cost-share requirement poses a particular financial burden on the recipient community or entity, the conferees support the Agency's use of its long-standing guidance for financial capability assessments to determine reductions or waivers from this match requirement.

With the exception of the limited instances in which an applicant meets the criteria for a waiver, the conferees have provided no more than 55% of an individual project's costs, regardless of the amount appropriated below. The phrase "terms and conditions" referenced in the bill language includes the maximum 55% federal share, as well as the intended recipients and the specific project descriptions, as listed below.

The report language only allows the Agency to approve waivers to the 45 percent matching requirement that are based on financial capability issues. Accordingly, our policy for the projects listed in Attachment 1 is that grant applicants will be expected to pay for 45 percent of the project costs, unless there is specific language in the Conference Report or Appropriations Act that specifies a different matching requirement or a waiver to the matching requirement is approved based on financial capability issues.

Furthermore, in those situations where the description in the Conference Report explicitly defines the scope of work of the project, the Federal share of the grant will be limited to 55 percent of the estimated cost for completing the scope of work described, regardless of the amount appropriated for the project, unless a waiver to the matching requirement is approved based on financial capability issues. This means, in some instances, that the grant amount will be less than the amount appropriated for the project and that some funds will not be obligated. The disposition of any such unobligated grant funds will be determined by Congress.

87	GHL	Gardena, City of	250,000	2,000	7,400	240,600	for water and wastewater infrastructure improvements
88	GAA	Santa Monica, City of	250,000	2,000	7,400	240,600	for water infrastructure improvements
89	GLE	Seema County	200,000	1,600	6,000	192,400	for the Monte Rio sanitation project in Monte Rio
464	GC4	Santa Clara Valley Water District	300,000	2,400	8,900	288,700	for perchlorate groundwater clean-up
465	GJZ	Inland Empire Perchlorate Task Force	300,000	2,400	8,900	288,700	for the Wellhead Treatment of Perchlorate Contaminated Wells
466	GXH	Santa Ana, City of	400,000	3,200	11,900	384,900	for East and West Reservoir Upgrades
467	GQE	San Jose, City of	500,000	4,000	14,900	481,100	for North San Pedro water and sewer infrastructure improvements
468	QIZ	Eureka, City of	500,000	4,000	14,900	481,100	for the Martin Slough Interceptor Project for the City of Ontario Final Design for Wellhead Treatment for Perchlorate and Nitrate
469	GXJ	Metropolitan Water District of Southern California	200,000	1,600	6,000	192,400	for wastewater infrastructure improvements
470	QIB	Laguna Beach, City of	400,000	3,200	11,900	384,900	
38 total		Guam	18,850,000	150,800	561,200	18,138,000	
148	QHW	Guam Waterworks Authority	250,000	2,000	7,400	240,600	for water and wastewater infrastructure improvements
1 total		Hawaii	250,000	2,000	7,400	240,600	
147	QUK	Mau County Department of Water Supply	150,000	1,200	4,500	144,300	for the lead reduction in Upcountry Maui in Upcountry Maui
489	QQM	State of Hawaii	250,000	2,000	7,400	240,600	for upgrade and expansion of the Sand Island Wastewater Treatment Plant
490	QHS	\$500,000 to the County of Hawaii and \$500,000 to the Housing and Community Development Corporation of Hawaii,	1,000,000	8,000	29,800	982,200	for wastewater infrastructure improvements
3 total		Nevada	1,400,000	11,200	41,700	1,347,100	
252	AT7	Fallon, City of	400,000	3,200	11,900	384,900	for wastewater infrastructure improvements
253	AWL	Henderson, City of	400,000	3,200	11,900	384,900	for wastewater infrastructure improvements
559	GRA	Las Vegas Valley Water District/Searchlight	400,000	3,200	11,900	384,900	for water infrastructure improvements
560	GEM	Clark County Reclamation District/Searchlight	400,000	3,200	11,900	384,900	for wastewater infrastructure improvements
561	GRB	Reno, City of	250,000	2,000	7,400	240,600	for sewer infrastructure improvements
562	QOW	Spanish Springs	300,000	2,400	8,900	288,700	for the Nitrate Removal Project
563	GRC	North Valley Lemmon Artificial Recharge Project in North Lemmon Valley	200,000	1,600	6,000	192,400	for water infrastructure improvements
564	QTN	Virgin Valley Water District	250,000	2,000	7,400	240,600	for water infrastructure improvements
565	QNS	Carson City	200,000	1,600	6,000	192,400	for reservoir lining
9 total		Region 9 Totals	2,800,000	22,400	83,300	2,694,300	
74		Alaska	25,650,000	205,200	763,600	24,681,200	
452	QIK	Girdwood, Inc.	1,000,000	8,000	29,800	982,200	for water and sewer expansion in Girdwood
453	GOB	Municipality of Anchorage	1,300,000	10,400	38,700	1,250,900	for Sand Lake Water Extension
454	GOB	Melinauskas-Sukna Borough	300,000	2,400	8,900	288,700	for water wells for Gonsuch Lake
455	QIQ	Wasilla, City of	1,100,000	8,800	32,700	1,058,500	for sewer expansion
456	AYS	Valdez, City of	750,000	6,000	22,400	721,600	to replace septic systems with sewers and wells with city water
457	QIJ	Ketchikan, City of	400,000	3,200	11,900	384,900	for Mountain Point Sewer System
458	GOC	Skagway, City of	250,000	2,000	7,600	240,400	for water system upgrades
459	QOF	Wrangell, City of	425,000	3,400	12,800	409,000	for water and sewer upgrades
460	GQA	Nome, City of	800,000	6,400	23,800	769,800	for water and sewer upgrades for Old Federal Building
461	GWT	Seldovia, City of	600,000	4,800	17,900	577,300	for water and sewer upgrades
19 total		Idaho	6,925,000	55,400	206,300	6,663,300	
148	GVA	Cascade, City of	200,000	1,600	6,000	192,400	for water infrastructure improvements
149	GVA	Cascade, City of	450,000	3,600	13,400	433,000	for water infrastructure improvements
150	GVB	Twin Falls, City of	600,000	4,800	17,900	577,300	for wastewater infrastructure improvements
151	GMS	Pocatello, City of	750,000	6,000	22,400	721,600	for water infrastructure improvements
491	A2S	Burley, City of	2,000,000	16,000	59,500	1,924,500	to continue work on a Wastewater Treatment System Project
492	GXQ	Pocatello, City of	1,000,000	8,000	29,800	962,200	for Day Street Division Water System Improvements
6 total		Oregon	5,000,000	40,000	140,000	4,811,000	



Bill Gissel/R10/USEPA/US  
02/15/2008 11:18 AM

To citymanager@cityofseldovia.com

cc

bcc

Subject Guidance

Howard - here are the items I mentioned yesterday during our phone call. Hopefully, the links will work for you and provide good information. If you have any questions, please feel free to call me.



STAGFY05Guidance.pdf

<http://yosemite.epa.gov/r10/omp.nsf/webpage/Region+10+Grants+Administration+Unit>

<http://yosemite.epa.gov/r10/omp.nsf/webpage/Region+10+Grants:+How+to+Apply>

John W. Gissel, MPA  
STAG Grants Project Officer  
Alaska Operations Office - Juneau  
US EPA - Region 10  
P.O. Box 20370  
Juneau, Alaska 99801  
Phone (907) 586-7620  
Fax (907) 586-7015